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Special Bulletin

Reflections on the IEEJ Outlook "Roadshow" in Europe and the United States

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During the week of January 19–23, I had the opportunity to visit Vienna, Paris, and New York, where I delivered presentations on the IEEJ Outlook 2026 (hereafter, "the Outlook") with my colleague Dr. Yoshikazu Kobayashi and engaged in discussions with participants at the OPEC Secretariat, the International Energy Agency (IEA), and the Center for Global Energy Policy (CGEP) at Columbia University's School of International and Public Affairs. These visits were part of the annual Roadshow conducted after the release of the Outlook. As in previous years, each venue attracted a large audience, allowing us to present the key messages of the Outlook and to participate in vigorous question-and-answer sessions and exchanges of views. I would like to take this opportunity to express my sincere gratitude to all the individuals at OPEC, the IEA, and CGEP who organized and supported these meetings.

At all three venues, discussions were attended by many participants and characterized by remarkable candor. Although these meetings were not explicitly held under the Chatham House Rule, the exchanges were nevertheless grounded in mutual trust among participants. For this reason, I will refrain from delving into the specific details of those discussions. Instead, this essay summarizes my overarching reflections on the meaning and role of the Outlook, as reaffirmed throughout the Roadshow.

The Outlook, based on a variety of assumptions, presents a vision of future global energy supply and demand through 2050. In essence, it seeks to provide a quantitative "outlook" on how the world's energy landscape may evolve more than two decades from now. Yet, when we look at today's international energy situation, we see a degree of uncertainty and opacity unprecedented in past decades. The world is grappling with extraordinary turmoil and fluidity, facing an instability so profound that it is not an exaggeration to say that we cannot foresee what will occur even next year—or, in extreme cases, even tomorrow.

These uncertainties are manifesting in various dimensions of the global energy landscape. First, numerous geopolitical risks have the potential to exert major impacts. The situation in the Middle East, including issues related to Iran, the ongoing Russia–Ukraine war, and developments in Venezuela represent significant geopolitical factors that could influence global energy outcomes. Looking ahead, tensions surrounding the Taiwan Strait may also emerge as a critical variable. Although the importance of decarbonization—achieving net-zero greenhouse gas emissions by 2050 to limit global warming to 1.5°C—is widely acknowledged, formidable challenges and constraints make the extent of actual emissions reductions highly uncertain.

In addition, growing global fragmentation and the increasing emphasis on economic security are accelerating the shift away from a world that prioritized free trade and international division of labor toward one focused on domestic production of strategic materials and technologies, as well as the strengthening of supply-chain resilience. This transformation adds another layer of opaqueness to the long-term global outlook. Moreover, even the mechanisms of global governance that once underpinned international stability are now shaken, raising concerns that a world governed by "power politics" or "survival of the fittest" may be emerging as a tangible reality.

Against this backdrop, it is imperative to reconsider the meaning of projecting the world's energy future to 2050. The first question that arises is how best to incorporate the profound uncertainty of the current international environment into long-term outlooks.

In my view, the answer lies in how effectively one can formulate coherent and meaningful scenarios for the future. Although today's turbulent context makes scenario development itself highly challenging, methodologies such as scenario planning—widely used to analyze uncertain futures—can play a critical role. Scenario planning does not depend on assigning high probabilities to particular futures; rather, it seeks to construct logically consistent and plausible narratives, which then can be expressed quantitatively. Scenario formulation, therefore, becomes extremely important as the essential precursor to quantitative analysis.

In the Outlook, two scenarios are presented. One is the Reference Scenario, which assumes the continuation of ongoing trends in energy policies and technology deployment, essentially portraying a "business as usual" future. By design, this scenario cannot adequately reflect the immense uncertainty present in today's geopolitical environment. Instead, its principal role—perhaps now more important than ever—is to serve as a benchmark against which more dynamic scenarios can be compared and interpreted.

The second question concerns the value and significance of long-term energy outlooks themselves. Paradoxically, the more complex and uncertain the global energy situation becomes, the more essential it is to develop such futures-oriented perspectives.

It is true of many sectors of the economy, but particularly evident in the field of energy, that changes in future energy supply–demand structures require the timely and appropriate development of supply chains and related infrastructure. Such development, by its very nature, demands long lead times. For major energy infrastructure, the sequence from conceptualization, planning, and decision-making to groundbreaking, construction, completion, and commencement of operation often requires a decade or more, and in some cases even longer. Moreover, once completed and brought online, these facilities typically operate over extremely long lifespans—sometimes extending several decades, depending on the type of asset. Consequently, decisions and investments for such long-lived energy infrastructure must be made today with a clear view toward the future.

For this very reason, decision-makers in the energy sector inevitably require reliable points of reference to guide their view of the future. Such references are indispensable not only for formulating and implementing energy policy, but also for business and corporate strategic decision-making. The

greater the uncertainty surrounding the future, the more critical it becomes to possess robust intelligence capable of supporting sound and timely decisions.

Lastly, one further impression I carried away from this Roadshow concerns the nature of contributions to the world of knowledge and analytical intelligence. It is essential, in my view, to advance ideas that are not constrained by existing concepts or conventional thinking—ideas capable of opening new horizons in analysis and intellectual inquiry—and to bring such ideas to fruition. Each year, our Outlook endeavors to incorporate new initiatives and challenges of this nature in the form of highlighted topics that invite broader societal reflection. Naturally, such new undertakings are often accompanied by difficulties and may occasionally provoke criticism. Yet, if one were to allow the fear of criticism to impede progress, meaningful contributions to the advancement of knowledge would become impossible. It is therefore vital that we continue to move forward.

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